

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In re: :  
: CHAPTER 11  
LITTLE WASHINGTON FABRICATORS, INC., :  
: Debtor. : Case No. 22-10695 (PMM)

**STIPULATION REGARDING JOINT CHECK AGREEMENT  
ON REJECTED EXECUTORY CONTRACT**

NOW COMES Stewart & Tate Construction (“S&T” or the “General Contractor”), by and through its counsel, Post & Schell, P.C., and Little Washington Fabricators, Inc. (“LWF” or the “Debtor”), by and through its counsel, Ciardi, Ciardi & Astin, and hereby stipulate as follows:

1. On March 22, 2022, LWF filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the “Petition”) in the United States Bankruptcy Court for the Eastern District of Pennsylvania.
2. The Debtor remains in possession of its property and is managing its affairs as a Debtor-in-Possession.
3. On or about April 15, 2021 (approximately eleven months prior to the filing of the Petition), LWF and S&T entered into a contract for a project known as the Blue Spring Egg Farm and designated as Contract 21-028, wherein LWF was the subcontractor and S&T was the General Contractor (the “Contract”).
4. In or about September of 2021, as part of the Contract and pursuant to the request of LWF, S&T and LWF entered into two Joint Check Agreements (the “JCAs”) with two different suppliers, namely Vulcraft of New York, Inc. (“Vulcraft”) and Metals USA Plates & Shapes, Inc.

(“Metals USA”)(collectively referred to as the “Suppliers” and individually as a “Supplier”), copies of which are attached as Exhibits A and B respectively.

5. The JCAs provide that S&T issue joint checks payable to LWF and each of the Suppliers for the amount due to the Supplier for services and materials provided for the Project, which LWF then endorses and the Supplier deposits, with the Supplier applying the amount against the Supplier’s invoice.

6. The joint checks are to be delivered directly to the Supplier by S&T following LWF’s endorsement, without the checks ever being in the possession of LWF.

7. From the time of execution of the JCAs, all payments for services and materials provided to the Project by the Suppliers were paid pursuant to the JCA arrangement described above.

8. On April 14, 2022, the Debtor filed its First Omnibus Motion for Authority to Reject Certain Executory Contracts (the “First Omnibus Motion”) which contained a list of contracts to be rejected, including the Contract.

9. On May 3, 2022, the Court entered an Order Approving the First Omnibus Motion and rejecting the Contract.

10. At the time of the filing of the Petition, there were prepetition amounts due and owing the Suppliers pursuant to the JCA arrangement in the following amounts: \$56,716.78 for Vulcraft; and \$5,017.03 for Metals USA (“Pre-Petition Joint Checks”).

11. As a result of the filing of the Petition, LWF did not endorse the Pre-Petition Joint Checks.

12. All equitable interest in the above referenced payments to the Suppliers belongs to the Suppliers.

13. S&T and LWF agree that the Suppliers are entitled to payment of the above referenced amounts pursuant to the JCAs.

14. The Debtor and S&T agree that any signature by the Debtor on the joint checks will in no way be deemed to reinstate the Contract and is for the sole purpose of facilitating payment to Vulcraft and Metals USA for monies owed to them pursuant to the JCAs and the Contract.

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WHEREFORE, Little Washington Fabricators, Inc. and Stewart & Tate Construction respectfully request that this Honorable Court enter an Order approving this Stipulation, authorizing LWF to endorse joint checks made payable to the Suppliers in the amounts referenced herein, and granting such further relief as may be necessary or appropriate.

Respectfully submitted,

POST & SCHELL, P.C.

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Counsel for: Stewart & Tate Construction

CIARDI, CIARDI & ASTIN

By: /s/ Nicole M. Nigrelli  
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(215) 557-3550  
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Counsel for: The Debtor

# EXHIBIT A

## STEWART & TATE CONSTRUCTION JOINT CHECK AGREEMENT FORM

**PROJECT:** Blue Springs Egg Farm

**JOB NO.:** 21-0008

THIS AGREEMENT, made September 28, 2021 between Stewart & Tate Construction (hereinafter "General Contractor") and Little Washington (hereinafter "Subcontractor") and Vulcraft of New York, Inc. (hereinafter "Supplier") is a joint check agreement whereby the above parties, intending to provide for payment to Supplier and for the furnishing of materials to the project described below, agree as follows:

The General Contractor entered into a contract with Harbuck's Of Pennsylvania LLC (Owner) for the construction of Construction of an Egg Processing Facility (hereinafter "Project"). The General Contractor entered into a contract with Subcontractor to furnish and/or install services and materials in the nature of the work specified in contract. The Supplier has agreed to furnish to the Subcontractor for performance of its contract with General Contractor the necessary goods and materials in the nature of the work specified in contract and in the amount as billed on invoices. NOW, THEREFORE, in consideration of the mutual covenants herein contained, and with intent to be legally bound, the parties hereby agree as follows:

- A. Subcontractor requests and authorizes General Contractor to pay from any funds due the Subcontractor by joint check payable to Subcontractor and Supplier all invoices of Supplier for its materials delivered and/or used in the Project.
- B. All payments for materials, supplies, and equipment furnished by Supplier to Subcontractor for work performed pursuant to the contract between General Contractor and Subcontractor shall be made by checks payable to Subcontractor and Supplier.
- C. All checks made payable to Subcontractor and Supplier are exclusively and solely for the payment of materials supplied to the Project by Supplier in the amount of said check.
- D. Upon endorsing any and all checks made payable to it and Subcontractor by General Contractor, Supplier acknowledges and agrees that it will apply the total dollar amount of said check only to invoices outstanding on accounts receivable for the herein described Project.
- E. The checks made payable to Subcontractor and Supplier shall be delivered by General Contractor to Supplier after General Contractor receives from Supplier an invoice, or other documentation satisfactory to General Contractor, indicating that materials in the amount of said check have been delivered or will be delivered to the Project.
- F. Upon endorsing any checks made payable to it and Subcontractor by General Contractor, Supplier agrees that it has been paid in full and expressly releases General Contractor from any and all liability for payment to it in the amount of the said check.
- G. The relationship between the General Contractor and Supplier shall be limited to the terms of this Agreement, shall not be construed as a guarantee by General Contractor of Subcontractor's obligation to Supplier, and shall obligate General Contractor only to add Supplier as joint payee to checks for materials supplied to the Project.
- H. This Agreement is subject to all of the terms and conditions of the contract between General Contractor and Owner, and the contract between General Contractor and Subcontractor regarding setoff, withholding of payment, or backcharge from defective or nonconforming work and/or materials.

### JOINT CHECK AGREEMENT SIGNATURES:

**SUBCONTRACTOR:**

Signature: [Signature]  
Name & Title: Little Washington  
Jonas Stoltzfus  
Address: 62 Mill Street, Christiana, PA 17508  
Phone / Fax: 610-979-0079 /

**SUPPLIER:**

Signature: [Signature] Vulcraft Job # 031-21-0002  
Name & Title: Vulcraft of New York, Inc.  
Ramin Kasamanli, Controller  
Address: 621 Main Street, Chemung, NY 14825  
Phone / Fax: 607-529-9025 / 607-529-9001

**GENERAL CONTRACTOR:**

Signature: [Signature]  
Name & Title: Stewart & Tate Construction  
John L. Kerchner, Executive Vice President  
Address: 950 Smile Way, York, PA 17404  
Phone / Fax: 717-854-9581 / 717-747-0680

# EXHIBIT B

**STEWART & TATE CONSTRUCTION  
JOINT CHECK AGREEMENT FORM**

**PROJECT:** Blue Springs Egg Farm

**JOB NO.:** 21-0008

THIS AGREEMENT, made September 28, 2021 between Stewart & Tate Construction (hereinafter "General Contractor") and Little Washington (hereinafter "Subcontractor") and Metals USA Plates & Shapes, Inc. (hereinafter "Supplier") is a joint check agreement whereby the above parties, intending to provide for payment to Supplier and for the furnishing of materials to the project described below, agree as follows:

The General Contractor entered into a contract with Herburck's Of Pennsylvania LLC (Owner) for the construction of Construction of an Egg Processing Facility (hereinafter "Project"). The General Contractor entered into a contract with Subcontractor to furnish and/or install services and materials in the nature of the work specified in contract. The Supplier has agreed to furnish to the Subcontractor for performance of its contract with General Contractor the necessary goods and materials in the nature of the work specified in contract and in the amount as billed on invoices. NOW, THEREFORE, in consideration of the mutual covenants herein contained, and with intent to be legally bound, the parties hereby agree as follows:

- A. Subcontractor requests and authorizes General Contractor to pay the Subcontractor by joint check payable to Subcontractor and Supplier all invoices of Supplier for its materials delivered to the Subcontractor for use in the Project.
- B. All payments for materials, supplies, and equipment furnished by Supplier to Subcontractor for work performed pursuant to the contract between General Contractor and Subcontractor shall be made by checks payable to Subcontractor and Supplier.
- C. All checks made payable to Subcontractor and Supplier are exclusively and solely for the payment of materials supplied to the Subcontractor by Supplier in the amount of said check.
- D. Upon endorsing any and all checks made payable to it and Subcontractor by General Contractor, Supplier acknowledges and agrees that it will apply the total dollar amount of said check only to invoices outstanding on accounts receivable for the herein described Project.
- E. The checks made payable to Subcontractor and Supplier shall be delivered by General Contractor to Supplier after General Contractor receives from Supplier an invoice, or other documentation satisfactory to General Contractor, indicating that materials in the amount of said check have been delivered or will be delivered to the Subcontractor.
- F. Upon endorsing any checks made payable to it and Subcontractor by General Contractor, Supplier agrees that it has been paid in full and expressly releases General contractor from any and all liability for payment to it in the amount of the said check.

**JOINT CHECK AGREEMENT SIGNATURES:**

**SUBCONTRACTOR:**

Signature: Little Washington  
Name & Title: Jonas Stoltzfus /  
Address: 52 Mill Street, Christiana, PA 17509  
Phone / Fax: 610-979-0079 /

**SUPPLIER:**

Signature: Metals USA Plates & Shapes, Inc.  
Name & Title: Susan Hibbs / 10/7/21  
Address: 50 Cabot Boulevard, Langhorne, PA 19047  
Phone / Fax: 717-751-0126

**GENERAL CONTRACTOR:**

Signature: Stewart & Tate Construction  
Name & Title: John L. Kerchner, Executive Vice President  
Address: 950 Smile Way, York, PA 17404  
Phone / Fax: 717-854-9581 / 717-747-0590